

FINANCIAL  
STATEMENT  
1935-36

ASSOCIATION OF RETIRED CITIZENS  
OF PARISH NO. 10,  
VILLAGE PLAZA, Louisiana  
Financial Report  
Year Ended June 30, 1935

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# DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

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## INDEPENDENT AUDITOR'S REPORT

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The Board of Directors  
Evangelical Association of Retarded  
Citizens, Inc.  
Columbia, Louisiana

We have audited the accompanying balance sheet of the Association of Retarded Citizens of Louisiana, Inc., a nonprofit organization, as of June 30, 1995, and the related statement of revenue, expenses, and changes in fund balances and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note C to the financial statements, the organization has computed depreciation on all assets in accordance with the Accelerated Cost Recovery System (ACRS) required for federal income tax purposes, which does not allocate depreciation to expense over the estimated useful lives of the assets. In our opinion, these assets should be depreciated over their estimated useful lives in conformance with generally accepted accounting principles. The effects of these departures from generally accepted accounting principles on the accompanying financial statements are not reasonably determinable.

In accordance with Government Auditing Standards, we have also issued a report dated March 27, 1996 on our consideration of the organization's internal control structure and a report dated March 27, 1996 on its compliance with laws and regulations.

In our opinion, except for the effects of computing depreciation as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Association of Related Entities of Evangeline, Inc., as of June 30, 1995, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

GARRETT, STONE, BILDER, FERRISCH & KATZBY  
(a Corporation of Certified Public  
Accountants)

Witte Fitcher, Louisiana  
March 27, 1996

ASSOCIATION OF RETIRED CITIZENS OF KUMMELINE, INC.  
Villie Flatts, Louisiana

Balance Sheet  
June 30, 1993

ASSETS

Current assets	
Revenue receivable	\$ 108,262
Total current assets	<u>108,262</u>
Property and equipment	
Furniture and fixtures	29,714
Land	20,000
Buildings	228,734
Accumulated depreciation	<u>(137,442)</u>
Total net property and equipment	<u>240,906</u>
Other assets	
Deposits	<u>3,200</u>
Total assets	<u>\$ 351,198</u>

LIABILITIES AND FUND EQUITY

Current liabilities	
Accounts payable	\$ 14,100
Accrued payroll taxes	18,907
Overdrafts	<u>10,830</u>
Total current liabilities	<u>43,137</u>
Notes payable - current	<u>16,126</u>
Long-term liabilities	
Notes payable	<u>240,906</u>
Total liabilities	281,889
Fund equity	
Fund balance - unrestricted, undesignated	<u>169,351</u>
Total liabilities and fund equity	<u>\$ 351,198</u>

The accompanying notes are an integral part of this statement.

ASSOCIATION OF RETARDED CITIZENS OF EVANGELINE, INC.  
 8114 PLATON, LOUISIANA

Statement of Revenue, Expenses, and Changes in Fund Balance  
 Year Ended June 30, 1993

Revenue	
OCBO reimbursement	\$ 71,423
Metropolitan/Douglas Comfort Home reimbursement	48,422
Title II reimbursement	1,299,151
Rehabilitation services	4,160
Mississippi contracts	21,432
Shawney, crafts and thrift sales	14,734
Other income	<u>13,781</u>
Total revenue	<u>1,683,103</u>
Expenses	
Program services	789,847
Management and general	<u>823,896</u>
Total expenses	<u>1,613,743</u>
Excess of revenue over expenses	647,850
Fund balance, (deficit) beginning of year	<u>187,328</u>
Fund balance, end of year	<u>\$ 835,178</u>

The accompanying notes are an integral part of this statement.

ASSOCIATION OF RETARDED CITIZENS OF EVANGELINE, INC.  
VILLE PLATON, LOUISIANA

Notes to the Financial Statements

17) Summary of Significant Accounting Policies

The Association of Retarded Citizens of Evangeline, Inc., is a non-profit organization exempt from income tax under section 501(c)(3) of the Internal Revenue Code. The corporation was created on August 11, 1987 to promote and advance charitable, educational, and scientific purposes and to provide for the general welfare of persons who are retarded citizens of the Parish of Evangeline and surrounding areas. The organization consists of five homes and two centers for development located in Ville Platon and Boss, Louisiana.

The board of directors of the corporation are elected by the members of the corporation, serve variable terms, and receive no compensation.

A. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The financial statements of the corporation are presented on the accrual basis of accounting.

B. Income Taxes

Income taxes are not provided for in the financial statements since the organization is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and similar state provisions. The organization is not classified as a private foundation.

C. Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the modified accelerated cost recovery system over the applicable recovery periods which range from 7 to 31.5 years. The modified accelerated cost recovery system does not conform to generally accepted accounting principles.

18) Long-term Debt

A summary of long-term debt follows:

Notes payable to Evangeline Bank and Trust Co., original principal of \$193,000 dated 8/1/88, payable in monthly installments of \$2,482.79 including interest at 9%, due 8/13/97, secured by real estate.

\$156,569  
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ASSOCIATION OF RETARDED CITIZENS OF EVANGELINE, INC.  
Slide Place, Louisiana

Notes to the Financial Statements

(3) Property and Equipment

Property and equipment consisted of the following at June 30, 1985:

Land	\$ 20,000
Furniture and Fixtures	18,124
Building and Improvements	278,125
Total	316,249

Less: Accumulated Depreciation	17,861
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Net property and equipment	<u>\$298,388</u>
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(4) Social Security System

Employees of Evangeline Association of Retarded Citizens, Inc. are members of the Social Security System. The organization and its employees contribute a percentage of each employee's salary to the System (7.65 percent each). The organization's contribution during the year ended June 30, 1985 amounted to \$22,423.

(5) Litigation

There is no litigation pending against the Evangeline Association of Retarded Citizens, Inc., at June 30, 1985.

INTERNAL CONTROL AND COMPLIANCE



We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to the significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data in a manner that is consistent with the assertions of management in the financial statements.

#### Inadequate Segregation of Accounting Functions

##### Finding:

Due to the small number of employees, the organization did not have adequate segregation of functions within the accounting system.

##### Recommendation:

Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

##### Response:

No response is considered necessary.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is a material weakness.

This report is intended for the information of the Board of Directors, management, and Legislative Auditor. However, this report in a matter of public record and its distribution is not limited.

A Corporation of Certified Public Accountants

Wills Pietsch, Louisiana  
March 17, 1994

